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ELECTRONICALLY FILED
March 11, 2015

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In Re:

Case No. BK-N-10-52248-GWZ
Chapter 7
Substantively Consolidated with:

ALFRED J.R. VILLALOBOS,

- ☐ Affects this Debtor
☒ Affects all Debtors
☐ Affects Arvco Capital Research, LLC
☐ Affects Arvco Financial Ventures, LLC
☐ Affects Arvco Art, LLC

10-52249 Arvco Capital Research, LLC
10-52251 Arvco Financial Ventures, LLC
10-52252 Arvco Art, Inc.

Debtor.

Adv. No. 15-05018-GWZ

**DECLARATION OF HOLLY E.
ESTES, ESQ. IN SUPPORT OF
COMPLAINT FOR:**

CHRISTINA LOVATO, in her capacity as
the CHAPTER 7 TRUSTEE for the
Substantively Consolidated Cases of
ALFRED J.R. VILLALOBOS, ARVCO
CAPITAL RESEARCH, LLC, ARVCO
FINANCIAL VENTURES, LLC, and
ARVCO ART, LLC,

Plaintiff,

vs.

THE VILLALOBOS LIFE INSURANCE
TRUST; DANIEL E. APODACA AS
TRUSTEE FOR THE VILLALOBOS
LIFE INSURANCE TRUST; VFT,
INCORPORATED, a Nevada Corporation;
J.MICHAEL RONEY; J. MICHAEL
RONEY INSURANCE SERVICES INC.,
a California Corporation; ERIC WILLIAM
VILLALOBOS; JESSICA KINLEY RAE
VILLALOBOS; ADRIANA IVETTE
VILLALOBOS; CARRISSA DOLORES
VILLALOBOS; ALFRED JAMES
VILLALOBOS; ADRIANA OSORIO
VILLALOBOS as parent and guardian of
EMILIANO FRANCISCO
VILLALOBOS; ADRIANA OSORIO

1. **AVOIDANCE OF POST-
PETITION TRANSFER OF
PROPERTY OF THE ESTATE**
2. **LIABILITY OF TRANSFEREE
OF AVOIDED TRANSFER**
3. **AUTOMATIC PRESERVATION
OF AVOIDED TRANSFER**
4. **TURNOVER OF PROPERTY
OF THE ESTATE**
5. **INJUNCTIVE RELIEF**
6. **DECLARATORY RELIEF**

Hearing Date: N/A
Hearing Time: N/A

VILLALOBOS as parent and guardian of
CHRISTIAN DANIEL VILLALOBOS;
JESSICA KINLEY RAE VILLALOBOS
as parent and guardian of ALYSSA RAE
VILLALOBOS; DANIEL E. APODACA;
and APODACA & COMPANY,

Defendants,

I, HOLLY E. ESTES, ESQ., hereby declare under penalty of perjury that the
following assertions are true:

1. I am the court appointed general counsel for Christina W. Lovato, Chapter 7
Trustee (the "Trustee"). I have personal knowledge of the facts herein stated, and if
called to testify as to such facts I would and could do so competently.

2. On February 6, 2015, I issued a subpoena for John Hancock to produce
certain documents by February 20, 2015. Attached hereto as **Exhibit Z** is a true and
correct copy of the subpoena issued.

3. On February 18, 2015, John Hancock requested and received an extension
of time to produce the documents requested in the subpoena from February 20, 2015, to
March 4, 2015. Attached hereto as **Exhibit DD** is a true and correct copy of email
correspondence between myself and Kristopher Kwan of John Hancock Financial
Services ("John Hancock").

4. Attached hereto are true and correct copies of the referenced documents that
I received from John Hancock pursuant to the subpoena request: **Exhibit A, Exhibit B,**
Exhibit E, Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K, Exhibit
L, Exhibit M, Exhibit P, Exhibit Q, Exhibit R, Exhibit S, Exhibit T, Exhibit U,
Exhibit W, Exhibit X, Exhibit AA, Exhibit BB, and Exhibit CC.

5. Attached hereto as **Exhibit C** is a true and correct copy of an Arvco Capital
bank account statement received by me from the Office of the United States Trustee.

6. On or about June 26, 2010, J. Michael Roney ("Michael Roney") and/or J.
Michael Roney Insurance Services Inc., loaned Villalobos, the individual Chapter 11

Debtor, \$12,309.25 in order for Villalobos to make his John Hancock Policy premium payment that was due on June 26, 2010. Michael Roney purports to be secured by the Policy for this loan and any subsequent loan. This post-petition loan, and any subsequent loan was not disclosed or approved by the Bankruptcy Court, and it was not permitted by the Bankruptcy Code. The \$12,309.25 and any subsequent loan or advance by Michael Roney and/or J. Michael Roney Insurance Services Inc., was property of the Bankruptcy Case estate as that term is defined in 11 U.S.C. § 1115(a). *See Exhibit D* attached hereto.

7. Alfred Nash Villalobos' representation of Arvco Capital as its "general counsel" was never disclosed to the Bankruptcy Court. Alfred Nash Villalobos is an insider of the Debtor, as he is the son of Villalobos. Alfred Nash Villalobos' employment as counsel for the Debtor was not authorized under the Bankruptcy Code, and was not approved by order of the Bankruptcy Court.

8. Attached hereto as **Exhibit N** is a true and correct copy of an email with attachments received by me from Daniel E. Apodaca.

9. Attached hereto as **Exhibit O** is a true and correct copy of a printout from the Nevada Secretary of State's website.

10. On January 15, 2015, I called John Hancock requesting information regarding any term life insurance policy(s) of the Debtors. John Hancock requested that I send a letter to customer service requesting information. They provided a fax number and an address to send inquiries. I informed the John Hancock representative that there was likely going to be a dispute as to who was entitled to any life insurance proceeds.

11. On January 16, 2015, I sent John Hancock a letter requesting a copy of any and all life insurance policies issued to either Villalobos or Arvco Capital, and a full payment history on all policies. Attached hereto as **Exhibit V** is a true and correct copy of the January 16, 2015, letter that I sent to John Hancock. I never received a response to my January 16, 2015, letter from John Hancock.

12. On February 6, 2015, I sent John Hancock a letter pursuant to NRS § 687B.260 providing that the Chapter 7 Trustee was in the process of investigating

1 whether the bankruptcy estate has a claim to recover for transfers made or premiums paid
2 on the Policy with intent to defraud creditors. Attached hereto as **Exhibit Y** is a true and
3 correct copy of the February 6, 2015, letter that I sent to John Hancock.

4 13. Attached hereto as **Exhibit EE** are true and correct copies of email
5 correspondence between myself and counsel for Daniel E. Apodaca, Robert B. Martin,
6 Esq., and Amy Tirre Esq.

7 14. Attached hereto as **Exhibit FF** is a true and correct copy of a print outs
8 from Robert B. Martin's website.

9 15. Attached hereto as **Exhibit GG** are true and correct copies of email
10 correspondence between myself and Daniel Apodaca regarding the Villalobos Life
11 Insurance Trust.

12 DATED this 11th day of March 2015.

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14 */s/ Holly E. Estes*

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16 HOLLY E. ESTES, ESQ.
17 Attorney For Chapter 7 Trustee
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